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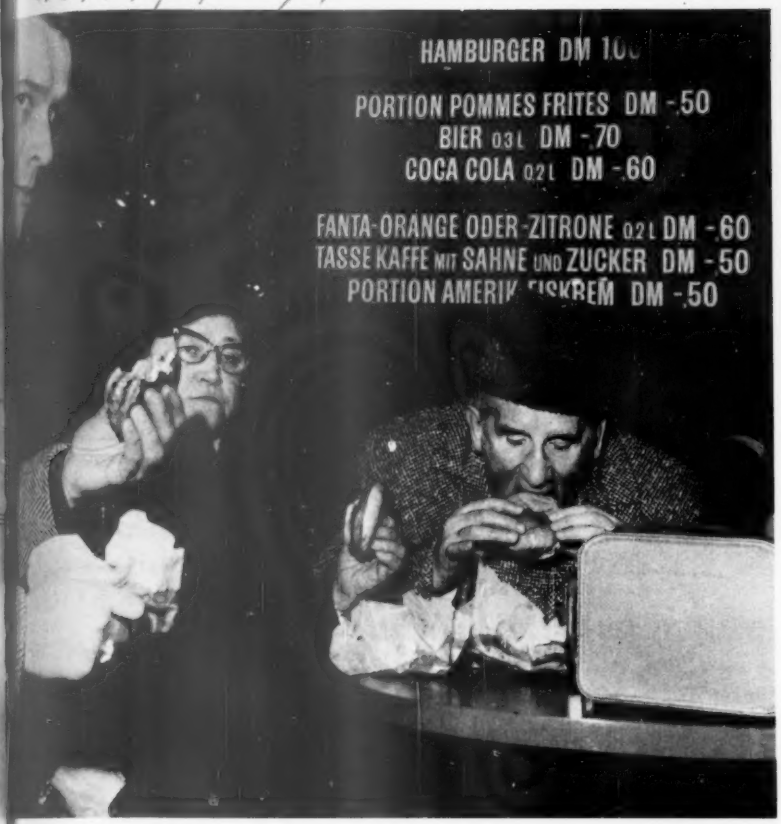
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PORTION POMMES FRITES DM -.50
BIER 0.3 L DM -.70
COCA COLA 0.2 L DM -.60
FANTA-ORANGE ODER -ZITRONE 0.2 L DM -.60
TASSE KAFFE MIT SAHNE UND ZUCKER DM -.50
PORTION AMERIK EISCREM DM -.50

FEBRUARY 15, 1965

WHY OUR FARM EXPORTS TO VENEZUELA HAVE FALLEN

U.S. BEEF PULLS CROWDS AT WEST GERMAN FAIR

Maryland Department of Agriculture

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

FEBRUARY 15, 1965
VOL III • NUMBER 7

U.S. hamburgers and steak dinners were big favorites at the American exhibit in West Berlin's Green Week. (See story on page 9.)

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Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $7.00, domestic, $9.25 foreign; single copies are 20 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20401.

Brahman cattle leaving corral

Why Our Farm Exports to Venezuela Have Fallen Off

By MARION A. EGGLETON
Assistant U.S. Agricultural Attaché
Caracas

Venezuela, in recent years, has rapidly increased its output of agricultural products, and this, combined with government-imposed import controls and competition from other countries, has taken a toll of what was once the largest U.S. market in Latin America.

In 1960, U.S. agricultural exports to Venezuela reached $92 million and were composed mainly of dairy products, wheat, eggs, fresh and canned meat, vegetable oils, tobacco, fruits and vegetables, and barley malt. By 1963, however, U.S. exports had fluctuated downward to $67 million.

Dairy products were more than 50 percent lower for all three reasons—local production, controls, and competition. Wheat felt the squeeze of foreign competition and declined somewhat. Table eggs were being eliminated by import regulations, and fertile eggs were down because of domestic supplies. Vegetable oils were lower, the market for tobacco was almost canceled out, and such fruits as apples, pears, and grapes lost in the price competition with local fruits. Barley malt was also down, as a result of increased competition from foreign suppliers rather than any change in the domestic situation.

Self-sufficiency the goal

Only a small percentage of Venezuela's land area is currently being devoted to agriculture; consequently the country possesses a much greater potential for agricultural production than is being realized. Recognizing this latent capability, the government has instituted price supports, credit, technical assistance, an improved seed program, and import regulations, in its goal to acquire self-sufficiency in food production regardless of cost.

How fast Venezuela will advance toward this goal of self-sufficiency is difficult to determine. There are still many handicaps along the way. A general lack of modern technology is probably the biggest one. Price also seems to be a major factor influencing agricultural output. To date, the agricultural supply has been highly elastic, a slight drop in price usually resulting in a big cutback in production.

The expansion of farm output has been further deterred by inadequate marketing and distribution channels. Poor interior roads and lack of transportation frequently make it impossible to get perishable crops to market in good condition; also, a general scarcity of storage facilities forces farmers to sell directly from the field or when prices are at their seasonable low.

Though production credit is available, it has been limited to specified crops and often is difficult to obtain for farm expansion and mechanization. Agricultural research and education have been limited too. Only a small number of college-trained agriculturalists are available, and this, in turn, has impeded the development of an effective extension program.

Some food prices kept low

These problems are recognized, and the government is moving ahead to correct them. However, Venezuelan agriculture is also caught in a bind between the high cost of farm production and the relatively low income level of the average consumer. As a solution, the government has attempted to support farm prices, direct production, and set maximum retail prices.

Minimum support prices are currently in effect for black beans, potatoes, rice, cotton, sisal, and corn. The only commodity receiving a direct subsidy is milk, for which one was introduced to insure an ample supply and to maintain retail prices at a low level.

Import licenses for cotton fiber, cottonseed, dry whole milk, pork, black beans, hides and skins, sesame, copra, fruit pulp, fruit in syrup, fishmeal, and cigar wrapper are all subject to the importer's purchasing a portion or all of the respective product produced domestically. In many cases, the requirement is tied with a minimum price to insure the farmer a market for his produce at a given price.

There are no production controls as such, but the government tries to direct output through its credit program.

To keep food prices within the reach of most consumers,

the government has established maximum retail prices for a number of basic commodities, and while these vary somewhat in actual practice, they tend to keep prices for these items at a low level.

So determined an effort on the part of the government to increase farm output is bound to have results, though not perhaps as fast as expected. Consequently, there seems little likelihood that there will be any reversal of the present downward trend in imports of supplemental foodstuffs. Complementary items, however, though becoming more competitive, should enjoy an increasing demand as the country's population expands, incomes rise, and consumer tastes shift to a wider variety of foods.

Looking at import prospects for specific commodities, the situation appears to be as follows:

Grains

Wheat, the principal agricultural import, is not grown in commercial quantities in Venezuela, and because of growing consumer preference, the import demand for wheat is expanding.

Corn, which traditionally is used for human consumption, and more recently for feed manufacture, has a large potential for greater output, which will limit imports to deficit purchases. Such deficits are expected for the next 2 to 3 years.

Imports of *oats* have been increasing at the expense of oats cereal, previously an important import.

Rice production has risen to where it now satisfies domestic requirements and allows a small exportable surplus, provided world prices favor Venezuela's rather high production costs. A small market remains for registered and certified rice seed.

Grain sorghums are now being grown on an experimental basis, and once their value as a feed is recognized, Venezuela should be a market for imports—that is, if a more liberal import treatment can be obtained.

Oilseeds

Sesame production is approaching domestic requirements, indicating a significant reduction in imports in the near future.

Cotton production is also expanding, thereby increasing the availability of *cottonseed* and *cottonseed oil*. Still, imports should remain strong for the present.

Copra is produced in a very limited way, so that copra imports should continue.

Soybeans and *safflower* are being produced on an experimental basis. Current imports depend on the protein needs of the country.

Dairy and livestock products

Milk production is expanding, helped by import regulation of dairy products. Imports of *whole dry milk* continue to be important, but they will be slowly reduced as a further boost to the domestic industry. *Table eggs* are now

Left, harvesting tomatoes, and bottom, tractor is used to cultivate cotton field. Below, produce market in Maracaibo. Poor roads often prevent farmers from getting perishables to market in good condition.

restricted by import controls, although a substantial market remains for fertile eggs. This market, however, is facing increasing competition from domestic production and will disappear in the next 10 years.

The demand for *pork* and *lamb* is growing faster than domestic production, thus creating an import market for frozen unprocessed meat. *Beef* production has been about on par with consumption, although a deficit is rumored for 1965.

Imports of *breeding livestock*, especially beef and dairy cattle, are significant and should remain strong. A current loan from the Inter-American Development Bank for $6 million will assist in strengthening this market.

Fruits and vegetables

Such fruits as *apples, pears,* and *grapes* have maintained a strong market, although reduced slightly from the level of recent years. The landed cost of these items places them at a disadvantage in competition with the lower priced tropical fruits.

Black beans, a basic item of the Venezuelan diet, have been in short supply, thus creating a strong import demand. Production of beans is being given new emphasis, however, and as the economy grows, there may be some shifting to other types of food which will eventually reduce bean imports. Imports of *seed potatoes* will continue to be important.

How much the United States will share in the Venezuelan market will depend on the delivered prices of U.S. products, their quality, and the quantities available at the time imports are made.

U.S. products face competition

U.S. wheat has been receiving tough competition from Canada, though still retaining about 50 percent of the market. Yellow corn imports, when they have occurred, have come from the United States, but oats have been purchased elsewhere because of a price advantage.

U.S. dairy products have also been facing increasing foreign competition as have fruits and black beans. Cottonseed oil imports have been entirely from the United States, but with the exception of soybeans, imports of other oilseeds and oils have come from competing suppliers. Dairy and beef cattle have come mainly from the United States, but lately purebred Holsteins have met up with competition from Canadian animals.

Venezuela uses the import duty system as its major means of import control. In those cases where the importation of a given commodity has been considered detrimental to local production, then a prohibitively high duty has been assigned to it. The major exception to this practice has been on those items included in the Venezuelan-U.S. bilateral trade agreement, signed in 1939 and amended in 1952. Though honor-bound to maintain the level of the duty, Venezuela in turn has instituted an import licensing system to regulate imports, and this has served to limit or shut off completely some of the agricultural concessions originally granted the United States.

Sharp Gain Foreseen for Yugoslav Poultry Production

A shortage of beef in Yugoslavia plus an abundance of corn for feed this year has given impetus to that country's expansion program for poultry.

Accelerated growth is forecast for the poultry industry during 1965 and for the coming 6 years. In fact, poultry numbers in Yugoslavia are expected to almost double by 1970, to 62 million head from the 32.5 million reported in 1964. Most of the gain will occur in broilers and chicken breeding stock; however, the government is also emphasizing the production and export of turkeys and geese.

Accompanying this expansion is a shift from small-scale production by the private farmers for their own use to large-scale commercial production on the government-owned farms. In 1964, these state farms accounted for 10.5 million head of poultry—32 percent of the total—against only 1 million—3.6 percent—in 1958. By 1970, they will likely be producing 3 times the amount they produced in 1964.

The government has set up two large poultry centers that produce chicks for laying stock and broilers, and some of the farms are equipped with modern incubators and other facilities. Commercial production, which for 1964 is estimated at 5 million head, has come entirely from these state-operated farms.

Yugoslav shipments of poultry meat will probably be kept down by rising domestic requirements—from the current level of about 7.2 pounds per capita to an estimated 14.3 pounds in 1970. This will account for most of the production gains through 1970, after which exports will likely grow in line with further development of the industry. The small amount of poultry meat that is shipped out during this time will go mainly to the present markets of Italy and West Germany as well as to other West European countries.

YUGOSLAV'S TOTAL POULTRY NUMBERS, 1960-1964 AND FORECAST FOR 1965 AND 1970

Years	Hens	Ducks	Geese	Turkeys	Total poultry
	1,000 head	*1,000 head*	*1,000 head*	*1,000 head*	*1,000 head*
1960	26,702	1,214	1,517	910	30,343
1961	25,413	1,155	1,444	866	28,878
1962	24,908	1,132	1,415	849	28,304
1963	26,946	1,008	1,527	459	29,940
1964	29,291	1,078	1,657	488	32,514
1965 [1]	32,000	1,500	2,000	1,000	36,500
1970 [1]	50,000	3,000	4,000	5,000	62,000

[1] Forecast.

Yugoslav Statistical Yearbook, 1964; forecasts by the Office of the Agricultural Attaché.

Exports of poultry meat, except for goose meat, have dropped sharply during the past 4 years, reflecting the shortage of all kinds of meat on the domestic market. During this same period, imports of live poultry, mainly breeding stock, have risen from negligible amounts in 1960 to nearly 31,000 pounds in 1963.

Shipments of eggs have also declined, from about 15 million pounds in 1960 to 5 million in 1963. And imports —mainly in the winter months—have risen, from 4.4 million pounds to 8.5 million. Eggs—a good source of animal protein—are used to some extent as a substitute for meat when it is in short supply on the market.

—CLYDE R. KEATON
U.S. Agricultural Attaché, Belgrade

Synthetics vs. Raw Materials—a Problem of Developing Countries

One of the main threats to the exchange earnings of developing countries in recent years has come from competition of synthetics with agricultural raw materials, principally cotton, wool, jute and other fibers, and rubber. In the period 1959-61, world exports of these products were valued at about $5.6 billion, equivalent to 24 percent of the total value of world agricultural trade.

More than half—55 percent—of this total originated in developing countries where they accounted for 30 percent of total agricultural exports. Except for wool and cotton which loom large in the trade of developed countries, the trade consists essentially of a flow from the developing countries where they are produced to the developed countries where they are consumed.

On the other hand, the world output of synthetic materials is concentrated in developed countries (the United States, Western Europe, and Japan), and this—the location of synthetic industries in the main agricultural raw material-importing countries—is basically inimical to the expansion of trade in the natural products.

FAO study issued

So serious is this problem to the developing nations that it has been a matter of considerable concern to their governments as well as to those of the industrialized countries. The issue was also highlighted at the United Nations Conference on Trade and Development last year, when a study of the problem was presented, along with recommendations as to how to cope with it. This study has recently been issued as a separate bulletin.

The principal synthetic or, more strictly, manmade materials considered in this report are synthetic rubber, manmade fibers, and synthetic detergents.

The range of synthetic rubbers now available permits direct competition with natural rubber in all its main uses. In 1962, synthetic rubber production represented more than half the world's total elastomer output, and in the United States that year as much as 73 percent of total consumption consisted of synthetic rubber.

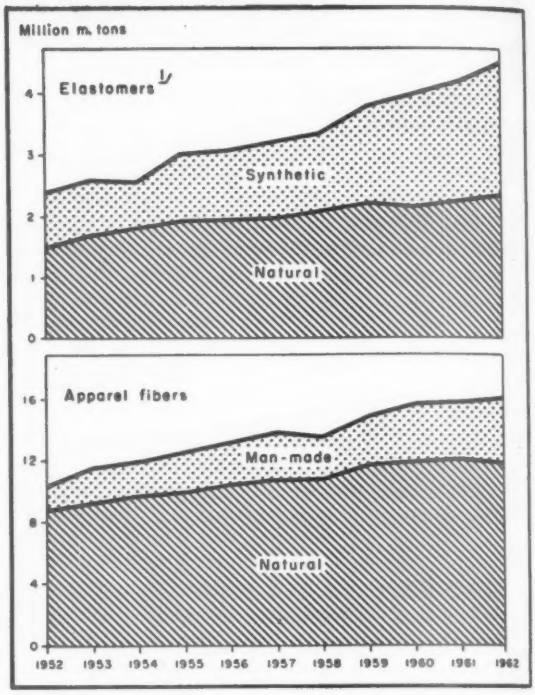
The range of manmade fibers is even wider than that of synthetic rubbers. Rayon is in closest competition with cotton, and the higher-priced synthetics with wool. And although the market for apparel fibers has been expanding since the war, the natural fibers have lost ground to the manmade: in 1948-50, the latter averaged less than 16 percent of world consumption whereas in 1962 they accounted for one quarter.

Synthetic fibers also compete with abaca or Manila hemp in the cordage field. A new synthetic was introduced last year which will compete with sisal in the manufacture of twine; likewise, jute is facing some displacement by synthetic carpet backing.

Synthetic detergents are in a special position insofar as they compete with animal and vegetable fats and oils in only one outlet—soap products—but in the industrial field synthetic resins are competing with drying oils in paints and varnishes. The hides and skins trade is being challenged too—by artificial leathers and by the use of synthetic rubber for shoe soles.

While not disparaging the versatility of the natural products, the FAO report points out that synthetics have gained

World consumption of elastomers and apparel fibers, 1952 to 1962



Elastic substances. The synthetic rubber total excludes consumption of domestically produced rubber in the centrally planned countries.

for several reasons: first, because factory production permits quality control; second, stability of supply; and lastly, their marked price stability in contrast to the wide price fluctuations for natural products.

Recommended measures

Claiming that it is now out of the question to expect any limitations on the output of synthetic products since they have won a place in daily life, the FAO economists recommend some positive measures that can be taken by governments of both producing and consuming countries.

Much can be done, they say, to improve production and marketing techniques to meet competition, for to a large extent the future of raw materials depends on cost and price factors.

Stating that there are limitations to international commodity agreements to influence prices, they propose that the possibility be explored of introducing supplementary stabilization devices to further limit fluctuations, particularly for wool and long-staple cotton. The report also suggests that governments of consuming countries cooperate "by insuring equal competitive conditions between the synthetic and natural sectors of the industry."

The FAO study is Commodity Bulletin No. 38 and its title "Synthetics and Their Effects on International Trade." It may be obtained for $2.00, from Columbia University Press, International Documents Service, 2960 Broadway, New York 27, N.Y.

European Survey To Analyze Market Potential For U.S. Canned Cling Peaches, Fruit Cocktail

A four-country survey just completed by a U.S. research firm for U.S. canned peaches and fruit cocktail could be a decisive factor in whether to launch a market development program for these products in Western Europe.

The findings, to be disclosed sometime next month after they have been assessed by the California Cling Peach Advisory Board, are expected to provide broad information on canned fruit utilization, consumer opinion and knowledge of canned fruits, and the type and size of European marketing organizations.

The Advisory Board began the survey last November in cooperation with FAS in an effort to find out what could be done to strengthen the competitive position of all types of California canned fruits in West Germany, the United Kingdom, Denmark, and Sweden. These are countries where the demand for canned fruit products is growing and which offer few obstacles in the way of trade restrictions.

The primary focus is on cling peaches and fruit cocktail, except in the United Kingdom where the Commonwealth preference enjoyed by Southern Hemisphere peach exporters tends to limit U.S. market development possibilities.

Increasing U.S. production

Industry spokesmen say these products in particular need expanded overseas outlets to absorb the steady increases in domestic production.

For about 10 years now, U.S. peach production has outpaced domestic consumption. No immediate relief is foreseen in the face of further advancements anticipated in mechanization and cultivation techniques.

At a record 46.7 million cases, 1964's combined pack of canned peaches and fruit cocktail—in which peaches are the principal ingredient—exceeded the previous high reached in 1962 by 7.5 million cases.

Low prices to producers have been the natural result of overproduction, despite efforts of various state programs to reduce the supply through marketing orders.

Under what is known as the "green drop" program, growers must destroy the unripened fruit from a certain percentage of trees. The number to be taken out of production is determined from a crop estimate in May or June plus carryover stocks at that time.

Top quality only

Also used to control the volume of fruit marketed have been rigid grading standards which assure that only top quality fruit is sold.

The California peach industry nonetheless feels that the excess production can find an outlet in Western Europe, where the per capita consumption of canned fruit is substantially below the U.S. level.

Foreign markets in 1963-64 absorbed roughly 20 percent of the canned peach and fruit cocktail pack. Peach exports totaled 4.7 million cases and fruit cocktail, 2.8 million, for a combined value of $40 million.

After Canada, the United Kingdom was the biggest buyer of U.S. fruit cocktail, and West Germany ranked first as an importer of canned peaches.

Export prospects in Europe appear especially bright this year, because of the competitive pricing of U.S. canned fruit made possible by the record 1964 pack, and reduced supplies of some Southern Hemisphere exporters. Exports of U.S. fruit cocktail may well set a record in fiscal 1965.

U.S. Hard Spring Wheat Growers Aim at Big Japanese Market

The recent import by Japan of the first of two trial lots of Hard Red Spring wheat for commercial-scale milling and baking tests could open up an important market for this type of wheat if growers in the Dakotas and Montana are successful in efforts to secure reduced rail freight rates for hauling their wheat to the Pacific Coast for export.

Contending that the current rate of 95 cents a hundred pounds makes their wheat noncompetitive, growers are asking a reduction of 20 cents a hundred pounds. The railroads' response to these requests is held fully as important as results of the tests in Japan of the two trial lots.

The success of similar grower efforts in 1960-62 to obtain reduced rates for U.S. Hard Winter wheats was promptly reflected in record 1963-64 sales of 39 million bushels to Japan, all from west coast ports.

The first trial lot of 1,200 metric tons—shipped along with 87,000 tons of U.S. Hard Winter wheat purchased by Japan January 27—was No. 2 Dark Northern Spring. The second lot will be No. 2 Northern Spring, both subclasses of Hard Red Spring wheat grown almost entirely in the Dakotas and Montana.

The wheat will come from stocks designed to represent the quality of spring wheats grown in the northern Great Plains.

Once the wheat arrives in Japan, it will be given exhaustive tests—in the laboratory as well as under actual milling and baking conditions. The Japanese will evaluate its performance and compare it with other wheats, both domestic and imported. These tests are essential steps in evaluating the wheat and determining the resale price at which the Japanese Food Agency makes wheat available to flour millers.

Growers are optimistic that if the tests are successful—and if railroad rates are reduced—the potential for imports by Japan of this type of wheat could hit 8-10 million bushels a year, with sizable quantities being purchased as early as late spring or early summer.

There are also additional possibilities for the area's Durum. Currently the Japanese are considering procurement of test samples of U.S. Durum because of the demand for Durum to use in macaroni and spaghetti.

Such a breakthrough for Hard Spring wheats would represent a new market and not a substitution for—or competition with—U.S. Hard Winter wheat in the Japanese market.

Upcoming Exhibits of American Foods at London, Tokyo Trade Centers Draw Wide Participation

In what will be the biggest U.S. food promotions at overseas Trade Centers this year, a U.S. Fruit and Vegetable Show in London (February 23-March 5) will feature the products of 39 firms, and those of 46 firms will be displayed and demonstrated at a U.S. Processed Foods Exhibit in Tokyo (March 8-19).

Sponsored by the Grocery Manufacturers of America in cooperation with FAS, both events will be kicked off with receptions for the food press —in London on February 23 and in Tokyo on March 5.

The London exhibit will promote fruit and vegetable products and nuts, and other products that contain principally fruits and vegetables, such as soups, pies, and convenience items.

A special feature will be a 300-square-foot display of fresh fruits and vegetables and fresh-cut flowers to be provided by producers and merchandisers in California, Arizona, Indiana, and Florida. To assure optimum freshness, a prominent U.S. international air carrier has arranged to ship these products in three lots spaced out over the exhibit period.

The London Trade Center promotion is aimed at expanding U.S. processed fruit and vegetable sales to the United Kingdom, which is already a substantial buyer of canned fruits, as well as to acquaint British buyers with the wide variety of fresh U.S. fruits and vegetables available round-the-year. In the past, the United Kingdom has imported fresh vegetables from numerous sources at certain periods when local supplies have been limited.

The exhibit in Japan will be the first full-scale promotion of U.S. processed foods ever staged there.

American food processing and manufacturing firms from 13 states will be exhibiting in individual commercial booths all types of grocery products, including canned, dried, frozen, glass-packed, and processed items.

In addition, Grocery Manufacturers of America will display the newest specialty and convenience foods of 25 American firms. The extensive uses and advantages of these processed foods will be emphasized in a demonstration kitchen that will prepare samples for Japanese tradesmen.

A grocery trade relations team going to Tokyo will include Everett H. Andreson, vice president of General Mills, Inc.; Paul S. Willis, president of GMA; and Peggy Matthews, GMA staff demonstrator.

Prospects for increased exports of U.S. processed foods to Japan have never been brighter. Since 1957, per capita use of canned foods has gone from 6 pounds to 11.5 in 1963.

At recent briefing on the Tokyo Processed Foods Exhibit, USDA Trade Center Manager D. R. Strobel shows slides on layout and exhibit facilities to the export agents of 41 of the 46 American food firms that will be participating.

Flaxseed, Linseed Oil Export Payments Not Needed Now

With world supplies of flaxseed and linseed oil down—and prices up —no export payments for either will be made under the USDA's payment-in-kind program at the present time.

The flaxseed and linseed oil program—regulations for which became effective earlier this month—will therefore serve in a standby capacity until such time as export payments might be needed to equal the difference between U.S. domestic market prices and those on the world market.

No immediate change in world prices is foreseen since world production of flaxseed in 1964 is estimated to be down 9 million bushels from the year before, 9 percent less than the 1955-59 average. Lowest since 1961, this output reflects smaller crops of three of the four major producers, the United States, Canada, and India.

Should world prices fall below Commodity Credit Corporation-supported domestic prices, export payments would be authorized in transferrable payment-in-kind certificates redeemable for an equal value of commodities from CCC stocks.

Although no export payments will be made under the program at the present time, exporters may redeem Export Commodity Certificates earned under other programs in CCC-owned flaxseed and linseed oil for export.

Canadian Livestock to Europe

A traveling exhibit of Canadian livestock and seeds will visit major European countries this year as part of Canada's new promotion for its agricultural products overseas.

According to the Canadian Department of Agriculture, the exhibit will last about a year and will travel to fairs in Great Britain, Denmark, France, and Italy—countries which Canada feels offer the greatest potential for its livestock and forage and cereal seeds.

Breeding animals to be shown will include Holsteins, Herefords, and Lacombe pigs, a bacon-type hog developed in Canada for crossbreeding.

Canadian breed associations will be invited to support the European tour either financially or through the contribution of animals.

U.S. Beef Pulls Capacity Crowds to American Exhibit at Green Week

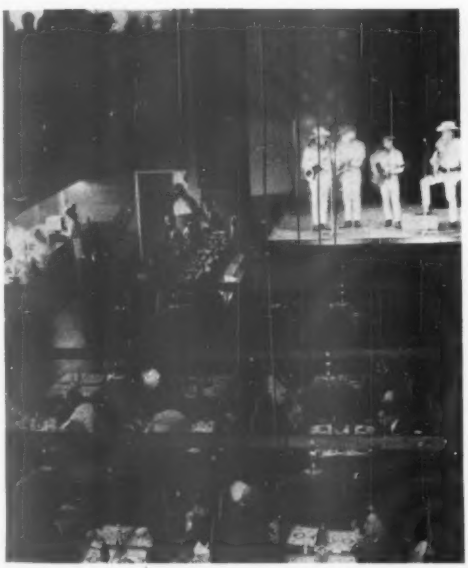
Thousands of West Berliners, drawn by the aroma of sizzling U.S. beefsteaks, visited the American Pavilion at International Green Week which closed 1 week ago yesterday.

Fair attendance of 189,000 persons in the first 4 days broke all previous records, and because of the U.S. beef promotion, the U.S. Marshall House Pavilion was a magnet for virtually all fairground visitors.

West Germans waited in long lines to enter the U.S. Pavilion. At the Bonanza restaurant, steak dinners sold at the rate of 2,000 a day. Business was brisk too at a hamburger stand, with daily sales averaging well over 5,000.

Also drawing capacity crowds were a self-service American meat market, Charger—the U.S. Grand Champion steer flown over especially for the occasion with the girl who raised him, Janet Perring—and a leather fashion show presented twice daily.

European publicity media gave wide coverage to the arrival of Secretary of Agriculture Orville L. Freeman, who opened the U.S. exhibit on January 29 with special guests West Berlin Mayor Willy Brandt and EEC President Walter Hallstein.



Clockwise: U.S. beef keeps cash register busy; Secretary Freeman with Janet Perring (center), her sister, and Charger; self-service meat market; women enjoy grilled steaks at restaurant as hundreds are turned away; overall view.

U.S. Dairy Group Explores Export Potential in Six-Market Tour

Eleven top U.S. dairymen are midway in a round-the-world tour designed to give the U.S. dairy industry firsthand information on dollar export prospects in six markets—the Netherlands, Lebanon, Thailand, Hong Kong, the Philippines, and Japan.

The group left on its month-long journey January 27 after intensive briefings with Dairy Society International and FAS dairy marketing specialists. Although top attention will be given actual sales potential in each market for U.S. dairy products, the team will also report on credit, quality, delivery schedules, packaging, and products standards—information that will be used by DSI and FAS to guide future promotion.

According to team leader Lyman D. McKee, chairman of the board of DSI, the mission is the first team effort by the U.S. dairy industry in the export field. All members are paying their own travel expenses, with DSI and FAS sharing certain other costs.

In each market the group is contacting local dairy foods importers and other dairy products buyers in an effort to analyze import procedures, restrictions, and marketing conditions which might affect U.S. sales.

Test tasting and sampling

Demonstrations and sampling sessions have been arranged to show importers the characteristics of U.S. dairy products, including butter, dried milks, condensed and evaporated milks, baby foods with a milk base, cheese, and specialty foods.

The Netherlands—first stop on the itinerary—is itself a big dairy products exporter and transshipper and a strong competitor with the United States for dairy products markets. However, because of shortages caused by declines in milk production in 1963 and 1964 the Netherlands began to import substantial amounts of U.S. butter and nonfat dry milk.

Over 5 million pounds of U.S. butter went to the Netherlands in 1963 and 6.5 million in 1964; none had gone during 1956-60. Dutch purchases of U.S. nonfat dry milk in 1964 were 43 times greater than the 1956-60 average.

Rising populations and incomes are strengthening the demand for dairy products in all places visited.

Lebanon's convertible currency, strong economy, and close trade ties with other nations in the area make it an excellent focal point for stepped-up dairy products promotion. DSI recently established a regional office in Beirut to coordinate promotion in the entire Mideast area.

Increased demand in Thailand

In Thailand, a 5-year DSI promotional program introduced dairy products into an area where they previously had no market. The resulting increased demand has made Thailand one of the better Asian markets for milk elements, especially for dry whole milk and nonfat dry milk, with the United States supplying up to 1 million pounds annually of these products.

Hong Kong—third largest cash market in the Far East after Japan and the Philippines—imports the bulk of its dairy products. The Colony's recent increase in purchases of milk elements used to manufacture sterilized and recombined milk, ice cream and other soft dairy items makes it a potentially lucrative market for U.S. anhydrous milk fat, sweetened condensed milk, evaporated milk, and nonfat dry.

In the Philippines, the U.S. team will explore ways to capitalize on the upward trend in the Islands' imports of dry whole milk and nonfat dry milk. The group will also look into the potential for evaporated milk. U.S. sales of this dairy product have declined substantially over the past few years, probably an outgrowth of the Islands' increased domestic production of filled milk (a blend of nonfat dry milk and Philippine-produced vegetable oil) and large imports from the Netherlands.

Limits on Japanese dairy imports

The outlook for Japan as an importer of U.S. dairy products is currently limited by the fact that only imports of natural cheese, lactose, and casein are liberalized. Most of the big suppliers of natural cheese to Japan—Australia, New Zealand, Norway, the Netherlands, and Denmark—have actively and successfully promoted their Cheddar and Gouda cheeses as an ingredient in processed cheese, a dairy food which shows a good deal of promise for future growth. The team mission in Japan will be to interest Japan's cheese industry in the advantages of using U.S. Cheddar cheeses.

Eight team members are from Wisconsin: Lyman D. McKee, president of the Madison Milk Producers Association, Madison; Rolf E. Christopherson, sales manager, Wuethrich Creamery, Greenwood; Arden Grudem, president of Falls Dairy, Jim Falls; Percy Hardiman, Golden Guernsey Dairy Cooperative, Milwaukee; Frank Wing, Wisconsin Farm Bureau; Forrest Kubly, vice president of Swiss Colony, Monroe; Joseph Sartori, S & R Cheese Corporation, Plymouth; and Leonard Gentine, vice president of Sargento Cheese Corporation, Elkhart Lake.

Also: Dan Holtz, president of Land O'Lakes Cooperative, Minneapolis; Walter Kirchner, Pure Milk Association, Chicago; and Charles Laughton, manager of the Milk Producers Federation of Cleveland.

P.L. 480 Exports Peak in '64

Food for Peace exports under the Title I, Public Law 480 (sales for foreign currencies) program reached an alltime high of more than 14 million metric tons in calendar year 1964.

Volume of the 1964 shipments, with an estimated export market value of $1.2 billion, thus exceeded the previous record of 13.9 million metric tons set in calendar year 1963. Of the total 1964 tonnage, 450 million bushels were in U.S. wheat and wheat flour. The balance consisted mostly of corn, fats and oils, rice, and cotton.

In addition, almost 1 million metric tons of agricultural commodities were shipped in 1964 under the Title IV, Public Law 480 (long-term dollar credit) program.

Overseas MD Workshops

Designed to step up effectiveness of U.S. market development programs abroad is a series of administrative workshops now going on in seven of the world's key cities for FAS and cooperator personnel. U.S. Embassy budget and fiscal officers are also participating.

Sessions are being held this week in Tokyo. Just completed are those in Rome, Beirut, London, The Hague, Brussels, and Frankfurt.

Increased Freight Rates for New Zealand Farm Exports

Substantial increases in ocean freight rates have been announced for some of New Zealand's chief export commodities, such as wool, apples, meats, and dairy products.

Wool and general cargo shipments to the west coast of the United States and Canada were subject to increases of 15 percent, effective as of January 1. The only exceptions were rates for cartoned shipments of lamb, which remain unchanged, and differentiated increased rates for apples, depending on whether shipped by standard case or tray-pack cartons. All other refrigerated cargo rates are expected to rise by about 10 percent.

Increases in freight rates of 10-15 percent on all outgoing cargo from New Zealand handled by the Australia, New Zealand, and South Sea Island Pacific Coast Conference lines will be effective February 1, 1965. Indications are that freight rates on ocean cargo from New Zealand and destined for Asian markets will also be subject to 10-15 percent increases as of March 15.

Japan's Imports of U.S. Poultry Meat Rise in 1964

Japanese imports of poultry meat from the United States dipped slightly in December 1964, but for the entire calendar year, they were up substantially—to 11.6 million pounds from 7.3 million. Much of this gain was in poultry parts, imports of which are expected to continue to rise in coming years.

The United States accounted for approximately 88 percent of the Japanese poultry meat market last year against about 95 percent in 1963. Some increase in competition from Denmark was apparent in the last 6 months of the year; however, it is not believed that the impact of Danish poultry on the market has been significant.

Canadian Cotton Consumption Continues Strong

Canadian raw cotton consumption, based on the number of bales opened by mills, was 36,179 bales (480 lb. net) in December—compared with 39,594 in November and 37,091 in December of 1963.

Consumption during the first 5 months (August-December) of the current season totaled 193,221 bales, 3 percent above the 186,690 bales opened in the comparable period of 1963-64 and 20 percent above the average consumption of 161,501 bales in the first 5 months of the past five seasons.

Transshipments of Mexican Cotton Lower

Transshipments of Mexican cotton through U.S. ports (mainly Brownsville) amounted to 24,471 bales (480 lb. net) during the first 2 months (August-September) of the current season. This was a sharp decrease from the 85,149 bales transshipped in the same period of 1963-64.

Transshipments of Mexican cotton through U.S. ports for foreign destinations have been declining for the past several years. Less than 25 percent of Mexico's total cotton exports were transshipped through U.S. ports in 1963-64, compared with 90 percent in the 1950-54 period. For the past several years, most Mexican cotton transshipments have moved through Brownsville.

Total transshipments have trended downward primarily because of declining production in the northeastern part of Mexico, the development of deep ports to handle direct exports of cotton, and an increase in the effective tax rate on exports of uncompressed cotton.

Bumper Cotton Crop in Guatemala

The 1964-65 cotton crop in Guatemala is currently being harvested, and ginning is expected to be completed in April. Under ideal growing and harvesting conditions, total production is now estimated at a record 310,000 bales (480 lb. net), compared with 300,000 in 1963-64, 250,000 in 1962-63, and the 1955-59 average of 60,000.

Area devoted to the current crop is estimated at 225,000 acres, 5 percent above the 215,000 planted to the 1963-64 crop, and nearly five times greater than the 1955-59 average acreage of 48,000. This season's national yield is expected to reach about 660 pounds of lint per acre, which, along with yields in other Central American countries, is one of the highest in the world for nonirrigated cotton.

Domestic consumption of raw cotton in 1964-65 is estimated at 31,000 bales, about the same as a year ago.

Exports of raw cotton in the 1964-65 season are estimated at 275,000 bales. Total exports in the 1963-64 season amounted to 269,000 bales—about one-half of which went to Japan. Substantial quantities also went to Italy, Hong Kong, the United Kingdom, France, and West Germany.

Stocks of raw cotton next July 31 are expected to be about 18,000 bales, minimal requirements until the 1965-66 harvest becomes available.

The Netherlands Imports More Rice

Netherlands imports of rice in the first 11 months of 1964 totaled 69,746 metric tons compared with 55,051 in calendar 1963.

If the December receipts increased as did those in the other months of 1964, total imports for last year will exceed the 1956-60 average of 72,881 tons. The principal gain was in takings from Thailand, the United States, and Communist China.

The Netherlands took little or no rice from Pakistan in this period compared with 2,032 tons in January-November 1963.

Rice imports from the EEC countries, at 6,012 tons, were 2,600 tons over the same period a year earlier. These countries accounted for 9 percent of total imports.

Semimilled rice imports during January-November, at 49,796 tons, were 11,870 tons higher than in the same months of 1963, with the main increase in tonnage from Thailand. Imports of semimilled from Communist China and the United States also exceeded those of January-November 1963, but there was a decrease of 2,820 tons in imports from South Vietnam.

Imports of milled whole rice in the 11 months were up by 2,385 tons to 6,530 and exceeded by 2 percent

those for all of 1963. The United States accounted for most of the gain.

Broken rice imports came to 13,420 tons—an increase of 2,846 tons over the same 1963 period. Belgium-Luxembourg accounted for the largest increase—2,699 tons over 1,442. The Netherlands imported a total of 2,950 tons of broken rice in this period from Burma, Cambodia, Italy, Uruguay, and Greece as compared with none from these countries in the same months of 1963.

NETHERLANDS RICE IMPORTS

Country of origin	Average 1956-60	1963	January-November 1963	January-November 1964
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Non-EEC:				
Argentina	393	1,583	1,539	851
Australia	920	938	938	204
China, Communist	8,340	1,117	1,117	5,084
Egypt	2,156	748	748	990
Pakistan	82	2,032	2,032	(1)
Surinam	1,699	4,910	4,681	3,404
Thailand	27,814	17,146	16,908	30,190
United States	7,622	15,183	13,912	18,519
Vietnam, South	604	3,662	3,662	842
Other countries	13,950	3,384	3,696	3,650
Total	63,580	50,703	49,233	63,734
EEC:				
Belgium-Luxembourg	5,179	1,876	1,675	3,672
France	208	---	---	---
Germany, West	1,306	676	457	856
Italy	2,608	1,796	1,280	1,484
Total	9,301	4,348	3,412	6,012
Total all rice	72,881	55,051	52,645	69,746

[1] If any included in "other countries." [2] Includes 1,000 metric tons from Brazil; 7,791 from Burma; and 2,321 from North Korea and North Vietnam.

Compiled from *Maandstatistick van de in-, uit-en doorvoer per Goederensoort.*

Sudan's Rice Imports Increasing

Rice imports into the Sudan during the first half of 1964, at 3,442 metric tons, were 41 percent higher than in the same months of 1963.

Sudanese rice production has not increased fast enough to supply the demand in the cities where many residents are consuming more rice mixed with vegetables or meats produced in their own country, and in the more prosperous rural areas benefiting from expanded irrigation. About half of the country's rice supply is now imported and in 1964 rice imports probably exceeded $1 million.

Egypt was the traditional supplier until recently, when sharply increased exports of Sudanese cotton and oilseeds to the Far East raised the domestic supply of foreign exchange. This, in turn, enhanced rice imports from Asian countries. In 1963, Thailand was the major supplier, and from January through June 1964, more rice was imported from Communist China than during all of 1963.

RICE IMPORTS OF SUDAN

Origin	Average 1956-60	1961	1962	1963	1964
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*	*Metric tons*
Communist China	(1)	(1)	794	1,123	1,798
Egypt	2,023	3,364	992	2,389	946
Thailand	606	201	1,466	839	630
United States	(1)	18	21	17	35
Other	601	6	850	221	33
Total	3,230	3,589	4,123	4,589	3,442

[1] If any, included in "other."

Foreign Trade Statistics, Sudan.

Ghana Taking More Rice From the United States

Ghana's imports of rice during January-June 1964, at 19,371 metric tons milled basis, were only 44 tons higher than in the same months a year earlier. Takings from the United States, however, were up 15 percent to 19,101 tons from 16,641, while those from other areas were greatly reduced. Ghana received rice from fewer countries in the first half of 1964 than in any other year on record.

Ghana's 1962 import of rice, at 71,823 tons, was the highest tonnage ever imported.

GHANA'S RICE IMPORTS

Country of origin	1961	1962	1963	January-June 1963	January-June 1964
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*	*Metric tons*
Belgium-Luxembourg	547	323	0	0	0
Burma	25	610	0	0	0
China, Communist	0	20	444	444	0
Egypt	0	96	1,995	1,996	0
Indochina [1]	3,490	296	49	49	0
Netherlands	1,734	954	127	109	35
Nigeria	0	0	93	0	234
Thailand	365	81	92	0	0
Togo	266	512	74	74	0
United Kingdom	632	113	31	9	0
United States	39,266	68,538	23,849	16,641	19,101
Other countries	603	280	17	5	1
Total	46,928	71,823	26,771	19,327	19,371

[1] As reported. Cambodia, or South Vietnam.

Compiled from external trade statistics.

Australia's Tobacco Crop Down

Official estimates place the 1965 harvest of tobacco in Australia at 27 million pounds from 27,625 acres, compared with 34.1 million pounds, from 28,842 acres in 1964. Most of the decline is in New South Wales and Victoria.

Honduran Tobacco Crop Larger

The 1964-65 tobacco harvest in Honduras is expected to total about 7.7 million pounds from 17,477 acres, compared with 7.1 million from 14,046 acres last year. Harvests of all kinds of leaf, except cigar wrapper and flue-cured, are likely to be larger than in 1963-64.

For the year ended September 30, 1964, cigarette consumption in Honduras totaled some 1,222 million pieces—up 2 percent from the previous 12-month period. Filter-tipped cigarettes continue to gain in popularity and accounted for 12 percent of total sales for the year ended September 30, 1964, compared with 7 percent a year earlier. In July 1964 a new mentholated filter-tipped brand was placed on sale. Consumer acceptance of this brand, which sells for the equivalent of 20 U.S. cents per pack, has been very good.

HONDURAN TOBACCO PRODUCTION, BY KIND

Kind	1962-63	1963-64	1964-65 [1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Copan [2]	3,000	4,000	5,000
Flue-cured	1,095	1,548	1,200
Cigar filler	650	996	1,002
Cigar wrapper	143	504	414
Burley	66	54	100
Aromatic	---	3	15
Total	4,954	7,105	7,731

[1] Preliminary forecast. [2] Dark leaf used in both cigarettes and cigars.

Brazil's Tobacco Exports Rise Sharply

Brazil's exports of leaf tobacco during the first 9 months of 1964 totaled 93.7 million pounds—about double the 46.9 million shipped out in January-September 1963. Exports to all important markets, except West Germany, were larger in 1964.

Shipments to Spain, the largest outlet, totaled 17.5 million pounds, compared with 1.3 million in January-September 1963. West Germany purchased 14.4 million, compared with 15.1 million. Other principal markets included the USSR 12.8 million pounds, the Netherlands 11.3 million, France 10.7 million, and the United States 8.6 million.

Average export prices per pound in January-September 1964, in terms of U.S. equivalents, were Spain 14.1 cents, West Germany 17.7, the USSR 22.7, the Netherlands 22.3, France 19.2, and the United States 30.4. The average export value of all shipments was 21 cents.

BRAZIL'S EXPORTS OF LEAF TOBACCO

Destination	January-September	
	1963	1964
	1,000 pounds	*1,000 pounds*
Spain	1,282	17,495
Germany, West	15,078	14,399
USSR	8,829	12,772
Netherlands	6,664	11,278
France	3,332	10,655
United States	3,219	8,563
Denmark	363	4,014
Switzerland	1,487	3,775
Uruguay	1,313	2,416
Belgium-Luxembourg	1,942	2,259
Morocco	1,050	1,373
Germany, East	346	1,272
Algeria	579	1,140
Tunisia	368	1,034
Others	1,063	1,299
Total	46,915	93,744

Bank of Brazil.

Danish Cigarette Sales Down

Officials of the Danish tobacco industry have estimated 1964 cigarette sales at 5.3 billion pieces, or about 5 percent below the 1963 figure of 5.6 billion. Sales of the other tobacco products reportedly increased somewhat, but this gain was not enough to offset the decline in cigarettes.

The decline in cigarette sales was mainly attributed to the 9-U.S.-cent rise in retail price for a pack of 20. This price rise was attributed to the increase in the excise tax rates last February, coupled with the Danish Government's followup after the release of the U.S. report entitled *Smoking and Health*, in early January 1964.

Retail prices for the three major types of domestic cigarettes following the excise tax increase (compared with prices prior to February 14, 1964, in parentheses), in terms of U.S. cents per pack of 20, were filter-tipped king size 79.8 (71.1), king size 76.9 (68.2), and regulars 74.0 (65.3). The excise tax now represents approximately 80.5 percent of the retail price for cigarettes, compared with about 78.5 percent prior to mid-February 1964.

Guatemala Expects Larger 1965 Tobacco Harvest

The 1965 tobacco crop in Guatemala is forecast at 4.9 million pounds, compared with 4.3 million in 1964. Planted acreage is placed at 6,040 acres, against 5,242 in 1964.

The flue-cured crop is estimated at 1.3 million pounds—slightly larger than the 1.1 million harvested last year. Burley production is expected to drop to 940,000 pounds from 1.3 million in 1964. Production of Copan (dark air-cured) may rise by as much as 42 percent to 2.6 million pounds.

Prices for the 1964 crop of flue-cured ranged from 16 cents to 58 cents per pound and averaged about 38 cents. For the 1965 crop, flue-cured prices averaged a little lower than for last year's harvest. The 1965 crop of burley is expected to bring from 16 cents to 43 cents per pound, with an average of nearly 32 cents.

Australian Meat Shipments to the United States

Four ships left Australia during the last week of December and the first week of January with 6,563,200 pounds of beef, 716,800 pounds of mutton, and 4,480 pounds of lamb for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Western ports			*Pounds*
Cap Frio, Dec. 29	Los Angeles	Jan. 14	Beef	960,960
			Mutton	168,000
	San Francisco	17	Beef	739,200
	Tacoma	20	Beef	405,440
	Eastern and Gulf ports			
North Sea, Jan. 1	Charleston	Jan. 26 [4]	Beef	210,560
			Mutton	224,000
	Norfolk	28	Beef	185,920
			Mutton	33,600
	Philadelphia	30	Beef	241,920
			Lamb	4,480
	New York	Feb. 1	Beef	1,968,960
			Mutton	179,200
	Boston	5	Beef	983,360
Pioneer Gem, Jan. 1	Houston	2	Beef	136,640
			Mutton	44,800
	Charleston	6	Beef	159,040
	Boston	10	Beef	168,000
	New York	12	Beef	250,880
	Philadelphia	14	Beef	51,520
	Baltimore	16	Beef	100,800
			Mutton	67,200
Nottingham [2], Dec. 24	Charleston	Jan. 20	Beef	176,960
	Norfolk	21	Beef	82,880
	Philadelphia	24	Beef	163,520
	Boston	28	Beef	44,800
	New York	29	Beef	595,840

[1] Cities listed indicate location of purchaser and usually the port of arrival and distribution area, but meat may be diverted to other areas for sale. [2] In addition to amounts reported in *Foreign Agriculture*, Feb. 8, 1965.

U.S. Livestock Product Exports Continue High

Foreign trade statistics for November continued to indicate that 1964 was a banner year for U.S. exports of livestock and meat products.

Exports of animal fats in aggregate totaled over 2.9 billion pounds through the first 11 months and will probably exceed 3.1 billion pounds for the entire year.

Lard shipments continued heavy in November, raising the year's total to 640 million pounds. The United Kingdom took 514 million pounds—80 percent of the total. Bolivia, Brazil, Yugoslavia, and West Germany were the other major buyers, all taking from 15 million to 20 million pounds.

Tallow and grease trade was up one-third from the previous year to about 2.3 billion pounds. The industrialized countries of Western Europe and Japan have taken more

but have accounted for a smaller percentage of the total than during the previous year.

The rise in beef exports in November was largely the result of shipments to the UAR and Israel under Public Law 480. Through November, beef exports had increased 67 percent.

Pork shipments in November were below the same month last year, although the total for the year was slightly larger.

Exports of variety meats continued heavy in November and for the first 11 months reached a new record—nearly half again as large as in the same period of the previous year. Western Europe continued to be the major market for U.S. variety meats.

Exports of natural casings during November continued at about the same level as in recent months. Shipments in the first 11 months of 1964 were sharply lower than those in the 1963 period.

Mohair exports also continued at a level far below the average of recent years. Total shipments through November were less than one-fifth as large as those in 1963.

Cattle hide exports through November 1964 were at record levels, and for the year as a whole, they probably came near 12 million pieces.

Shipments of live cattle to Canada accounted for most of the exports in 1964, although nearly 11,000 were exported to Italy.

U.S. EXPORTS OF LIVESTOCK PRODUCTS
(Product weight basis)

Commodity	November		January-November	
	1963	1964	1963	1964
	1,000	*1,000*	*1,000*	*1,000*
Animal fats:	*pounds*	*pounds*	*pounds*	*pounds*
Lard	35,222	63,516	504,935	639,357
Inedible tallow & greases[1]	158,111	191,858	1,720,363	2,263,851
Edible tallow & greases[2]	769	648	9,893	11,684
Red meat:				
Beef and veal	2,865	5,983	24,875	41,601
Pork	15,120	8,854	121,596	126,368
Lamb and mutton	93	97	846	1,102
Sausages:				
Except canned	167	325	1,561	3,362
Canned	65	143	821	951
Baby food, canned	12	60	575	654
Other canned meats	102	215	1,369	1,933
Total red meats	18,424	15,677	151,643	175,971
Variety meats	20,501	21,654	146,165	208,615
Sausage casings:				
Hog	1,122	675	13,669	8,720
Other natural	509	384	6,222	4,250
Mohair	994	224	13,480	2,457
	1,000	*1,000*	*1,000*	*1,000*
Hides and skins:	*pieces*	*pieces*	*pieces*	*pieces*
Cattle	843	1,101	7,311	10,482
Calf	180	181	1,436	1,920
Kip	25	23	218	244
Sheep and lamb	307	201	2,600	2,763
	Number	*Number*	*Number*	*Number*
Live cattle	2,001	3,772	21,211	58,574

[1] Includes inedible tallow, greases, fats, oils, oleic acid or red oils, and stearic acid. [2] Includes edible tallow, oleo oil and stearin, oleo stock and shortenings, animal fat, excluding lard.

Opening Prices for South African Canned Fruit

The South African Fruit and Vegetable Canners Association has announced its 1965 minimum prices for canned deciduous fruits. According to most British buyers, who feel these prices are likely to increase in the near future, the South African prices are competitive with those of Australia. The following 1965 opening prices, as quoted in the London Press (January 23), are contrasted with those in existence during 1964.

Canned fruit	Minimum export price c.i.f. U.K. ports		
	Fancy	Choice	Standard
	U.S. dol.	*U.S. dol.*	*U.S. dol.*
Apricots:	*per doz.*	*per doz.*	*per doz.*
1964	3.12	2.90	2.76
1965	3.01	2.80	2.66
Peaches:			
Yellow cling halves:			
1964	3.08	2.94	2.80
1965	3.15	3.01	2.87
Yellow cling slices:			
1964	3.15	3.01	2.87
1965	3.22	3.08	2.94
Freestone halves and slices:			
1964	---	2.66	2.52
1965	---	2.66	2.52
Pears:			
Bartlett halves:			
1964	3.36	3.22	3.08
1965	3.36	3.22	3.08
Bartlett quarters:			
1964	---	3.15	3.01
1965	3.29	3.15	3.01
Fruit salad:			
1964	4.34	4.20	4.06
1965	4.34	4.20	4.06
Fruit cocktail:			
1964	3.78	3.64	3.50
1965	3.78	3.64	3.43

[1] Size 24/2½'s.

Hamburg's Prices on Canned Fruit and Juice

Importers' selling prices landed duty paid (free exquay) to wholesalers, Hamburg, Germany, on orders of up to $625, for selected canned fruits and juices in January 1964, October 1964, and January 1965 are compared below. Selling prices for larger orders are somewhat lower.

Type and quality	Size of can	Price per dozen units			Origin
		Jan. 1964	Oct. 1964	Jan. 1965	
		U.S. dol.	*U.S. dol.*	*U.S. dol.*	
CANNED FRUIT					
Apricots, halves; choice:	15 oz.	[1]	1.74	1.71	Spain
Do	2½	3.42	3.45	3.45	S. Africa
Do	2½	3.84	[1]	3.33	Greece
Peaches, halves; choice:	2½	4.50	3.93	3.78	U.S.
Do	10	16.95	14.82	14.85	U.S.
Do	10	12.72	14.10	12.75	S. Africa
Pears, halves; choice:	No. 1	[1]	4.26	4.26	Italy
Do	2½	3.75	[1]	3.75	Argentina
Fruit cocktail, choice:	2½	5.34	4.92	4.74	U.S.
Do	10	[1]	19.41	19.11	U.S.
Fruit salad, choice:	15	2.55	2.50	2.48	Spain
Do	2½	8.04	[1]	8.91	U.S.
Pineapple:					
Slices, fancy	2½	3.75	4.17	4.17	Philippines
Slices, choice	2½	[1]	4.14	4.11	Philippines
Do	2½	4.77	[1]	4.56	U.S.
Do	2	[1]	2.61	2.61	Taiwan
Do	2½	3.48	3.51	3.48	S. Africa
Do	2½	[1]	3.60	3.57	Mexico
Do	1 Tall	2.80	2.16	2.12	Malaya
Do	10	13.80	13.62	12.57	Kenya
Crushed, choice	10	12.90	12.78	12.78	U.S.
Do	10	8.28	9.81	9.63	S. Africa
Do	10	8.61	10.08	10.08	Taiwan
CANNED JUICE					
Orange, unsweetened	½ din[2]	1.68	1.68	1.50	U.S.
Do	2	2.01	1.76	1.65	S. Africa
Do	2	1.98	1.71	1.68	Greece
Do	2	2.16	1.80	1.74	Israel
Do	2	[1]	1.80	1.74	U.S.
Grapefruit, unsweetened	½ din[2]	1.68	1.68	1.50	U.S.
Do	2	2.13	1.98	1.96	S. Africa
Do	2	2.10	[1]	2.01	U.S.
Do	2	[1]	2.01	1.95	Israel

[1] Not quoted. [2] Net content 390 grams.

Short Iranian Date Pack

Iran's 1964-65 date pack is estimated at 315,000 short tons—well below the 360,000-ton 1963-64 crop and the 330,000 tons produced in each of the 2 preceding years.

Iran's date exports during the year beginning March 21, 1963, totaled 23,869 tons—down sharply from the 32,626 shipped in 1962-63 and well below average exports in 1955-59 of 30,149 tons. In 1963-64, Iran shipped about 6,900 tons to the United States—again a leading destination for Iranian dates.

Ghana Reduces Cocoa Price to Farmer

Beginning with the 1965 mid-crop, Ghana's cocoa farmers will receive 11.66 U.S. cents per pound for their crop, compared with the current 12.6 cents.

The reduction was agreed upon by the United Ghana Farmers' Cooperative Council in a resolution passed on January 15. The "voluntary" contribution of 0.94 cents per pound will go into a trust fund to further the establishment of the proposed Agricultural Credit and Cooperative Bank.

It was also announced in January that the government has decided that a 10-year moratorium should be declared on interest payments by cocoa farmers to moneylenders.

East African Sugar Production Increases

Sugar production in Uganda and Tanzania during 1964 was up considerably, but that in Kenya failed to rise, owing to the country's labor and financial difficulties.

Molasses production for the area amounted to about 100,000 tons. Some of this will be used for stock feed, and the rest will be destroyed because there is no market for it.

Sugar imports have declined because of these countries' increased output as well as the high world prices during the first half of 1964. The countries export their sugar mainly to one another, sending only a small amount outside East Africa.

It is anticipated that sugar production will increase substantially in the next few years. An Indian mission recently signed an agreement to establish new factories in Uganda—a venture which is expected ultimately to realize an additional 100,000-ton production.

Ceylon's Tea Crop Smaller

Tea production in Ceylon—the world's second largest producer—is estimated to have fallen 15 million pounds during 1964 from the record 1963 harvest of 485 million. The withdrawal of Iraq—Ceylon's second largest export market in 1963—last August resulted in a sharp decline in the price of low-grown lower-quality teas, forcing some estates to cease or curtail production. Decreased fertilizer usage also contributed to the smaller outturn.

Ceylon is the largest supplier of tea to the United States, accounting for over two-fifths of U.S. imports.

Uganda To Open Vanilla Processing Plant

Uganda's first vanilla bean processing factory will begin operations this year, to convert cured beans into a semi-finished product. Trial runs have indicated that the product is satisfactory. A large U.S. spice processor, which is part-owner with the Uganda company, will utilize the plant's entire output.

Although Uganda is a relatively small vanilla producer, output has been increasing.

Uganda Produces Record Tea Crop

Preliminary reports show that Uganda's 1964 tea crop amounted to 16.5 million pounds, 21 percent over the 1963 production. Approximately 23,000 acres were under cultivation at the close of 1963, and significant new plantings were made during 1964. An additional 20,000 acres is to be put into tea by 1973.

Tea was Uganda's fourth most important export earner in 1963, sales of it totaling slightly under $6 million.

Spain Sets Sugar Prices

Spain recently issued regulations setting the price for sugarbeets and sugarcane. The order also calls for the planting of enough acreage to produce 500,000 metric tons (550,000 short tons) of beet sugar for 1965-66. Cane sugar production amounts to about 30,000 metric tons annually.

The base price for sugarcane is 871.50 pesetas (US $14.52) per metric ton for cane yielding 8.75-percent sugar, plus a bonus of 70 pesetas (US$1.17) per metric ton. The base price for sugarbeets will be 1,245 pesetas (US$20.75) per metric ton for beets yielding 12.5-percent sugar, plus a bonus of 100 pesetas (US$1.67).

Total sugar production in Spain for 1964-65 is estimated at 560,000 short tons (raw value). Domestic consumption amounts to about 800,000 tons annually.

Mexican Henequen Prices Again Fall

The committee for sale of henequen in Mexico announced a further drop of 6 to 10 percent in the prices to be paid to producers in Yucatan, Mexico, the major henequen-producing area of the world. The new prices are to be effective from January 25 to March 31, 1965, and they represent the third reduction since mid-1964.

The committee stated that if the fiber was to remain in a competitive position in the world, a lower local price was necessary. However, some producers may find it uneconomical to process some of the lower grades of fiber.

MEXICAN LOCAL HENEQUEN PRICES SINCE JULY 1, 1964

Grades	July 1, 1964	Sept. 1, 1964	Nov. 4, 1964	Jan. 1, 1965
	Cents per lb.	*Cents per lb.*	*Cents per lb.*	*Cents per lb.*
AA	11.6	9.9	8.1	7.6
A	10.8	9.2	7.4	6.7
B	10.7	9.0	7.2	6.5
ML	10.5	8.5	7.0	6.3
C	10.3	7.9	6.5	5.9
MC	10.1	7.6	6.3	5.8

Cocoa Producers Alliance Lifts Ban on Sales

Members of the Cocoa Producers Alliance (Ghana, Nigeria, Brazil, Ivory Coast, Cameroon, and Togo, who produce over 80 percent of the world crop) have decided to re-enter the cocoa market after a 14-week period of suspended sales.

The decision came after the close of the January 25-27 meeting of the CPA in Lagos, Nigeria, when Members

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announced that 250,000 metric tons of cocoa beans would be diverted from traditional uses. Negotiations have been undertaken by the Alliance to sell cocoa to the margarine and soap industries at prices competitive with those of other fats and oil products.

The Alliance withdrew from selling in mid-October after prices fell below the "indicator" level of 23.75 cents per pound. A record world crop, together with large stocks in consuming countries, has hindered the effectiveness of the Alliance's endeavor to control cocoa prices.

New Zealand's Jute, Flax Imports Up

New Zealand's imports of jute and flax fibers during the fiscal year ended March 31, 1964, totaled 3 million pounds and 471,000 pounds, respectively—somewhat above the 1962-63 imports of 2.8 million pounds and 217,000 pounds.

Domestic production of flax fiber in New Zealand in 1963 totaled 158 long tons (353,920 lb.) or the same quantity as in 1962. Operation of the domestic industry and marketing of its products is carried on by the Linen Flax Corporation of New Zealand. The government has £180,000 (US$504,000) invested in this corporation.

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